

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 000639

SIPDIS

STATE FOR ISN/RA - J. ALLEN-CLOSE AND N. MENKHOFF, WHA, AF, L, AND T E.O. 12958: DECL: 08/19/2019

TAGS: PREL PARM MNUC KNNP EINV IR NA CA

SUBJECT: CANADA IMPOSES 45-DAY HOLD ON FORSYS URANIUM SALE REF: A. OTTAWA 627 B. STATE 84119

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

1.(C) The Government of Canada notified George Forrest International (GFI) on August 18 that it had invoked section 25.2 of the Investment Canada Act (ICA).
2.(C) Giroux underlined that Industry Canada (IC) now has the statutory lead in preparing a preliminary evaluation of the national security implications of the proposed investment.
3.(U) Forsys Metals acknowledged the Canadian government's move in a press release on August 19, which noted that the corporation will provide the government with the information requested.
4.(U) Despite Forsys' press release, there has so far been no coverage of this issue in the mainstream media, but since the mining sector trades on the public perception of government support, the company's move is significant.
5.(C) Comment: This new provision of the ICA remains little known and untested, but DFAIT is adamant that the government now has the clear authority to review investments for national security.
6.(U) Begin relevant excerpts from the Investment Canada Act: 25.2 (1) If the Minister has reasonable grounds to believe that an investment by a non-Canadian in a Canadian business or entity may be injurious to the national security of Canada, the Minister may require the non-Canadian to provide the Minister with the information requested.
(2) If a non-Canadian has not implemented a proposed investment when they receive a notice under subsection (1), they shall not implement the investment.
(3) The Minister may require the non-Canadian or any person or entity from which the Canadian business or the entity referred to in paragraph 25.2(1) derives its financial support to provide the Minister with the information requested.
(4) The Minister shall, within the prescribed period, send to the non-Canadian (a) a notice indicating that no order for the review of the investment has been made;
HOPPER